

Real Estate MADE EASY

Buying your first home? Don't forget this checklist!

A full-page photograph of a family of four—a father, mother, and two young daughters—jumping joyfully in a lush green yard. The father, on the left, is wearing a dark blue long-sleeved shirt and jeans. The mother, on the right, is wearing a white long-sleeved shirt and dark pants. The two daughters are in the center, one in overalls and the other in a floral dress. In the background, a modern white house with large windows and a bicycle parked nearby is visible.

TRU
REALTY

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Introduction

For many Indians, owning a home represents much more than just a financial investment; it is a dream that embodies stability, security, and success. However, purchasing your first home can often feel daunting due to the complexities of the Indian real estate market, which includes unique practices, regional variations, and multiple layers of legal formalities.

This checklist aims to simplify the journey of buying your first home by providing a clear and comprehensive checklist. Whether you are exploring options for a modern apartment in metro cities like Mumbai or Delhi or considering a traditional home in a smaller town, this eBook will offer step-by-step guidance to help you confidently navigate the process.



The Importance of a Home Buying Checklist

A home-buying checklist acts as a vital roadmap that ensures you complete all crucial steps during your property search and purchase.



- **Avoid Missed Deadlines:** Many aspects of buying a home, such as securing a loan or registering a property, involve strict timelines. A checklist helps you stay organized and on track.
- **Mitigate Risks:** Ensuring all legal documents are in order and verifying property details can save you from costly disputes or fraud later on.
- **Stay Within Budget:** By planning and tracking expenses through a checklist, you can prevent overspending and allocate your resources wisely.



Step 1: Assessing Your Financial Readiness

Before starting your home-buying journey, it is essential to evaluate your financial health. This step helps you understand your purchasing power and ensures you don't overcommit financially.

Understand Your Credit Score:

- Platforms like CIBIL and Experian allow you to check your credit score for free. A score of 750 or higher improves your chances of loan approval and can get you better interest rates.

Evaluate Your Savings:

- Ensure you have sufficient funds for the down payment, typically 10-25% of the property's value in India, and maintain an emergency fund covering 6-12 months of living expenses.

Calculate Your Debt-to-Income Ratio (DTI):

- A DTI ratio below 40% indicates a manageable debt load, making it easier to secure a home loan.

Plan for Future Expenses:

- Factor in additional costs such as property taxes, insurance, maintenance, and utility bills to avoid financial surprises.



Step 2:

Determining Your Budget and Affordability

Setting a realistic budget helps narrow down property options and minimizes financial stress.

- **Plan Your EMI:**

Follow the 30-40% rule, where your monthly EMI should not exceed 30-40% of your gross monthly income. For example, if you earn ₹80,000 per month, your EMI should ideally range from ₹24,000 to ₹32,000.

- **Explore Down Payment Options:**

Government schemes like the Pradhan Mantri Awas Yojana (PMAY) can help reduce the financial burden by offering interest subsidies for eligible buyers.

- **Account for Hidden Costs:**

Be prepared for expenses like stamp duty (5-7% of property value), registration charges (1-2%), and GST (5% for under-construction properties), which can significantly affect your budget.

Step: 3 Researching the Real Estate Market

Thorough research is critical to making an informed decision and ensuring your chosen property aligns with your long-term needs.

Understand Market Trends:

- Keep an eye on property price trends in your preferred locality. For instance, Tier-1 cities like Mumbai or Delhi NCR typically have higher prices than Tier-2 cities like Coimbatore or Indore.

Check Builder Reputation:

- Look up builder reviews on platforms like 99acres and Magic Bricks. Opt for builders known for quality construction and timely project delivery.

Consider Future Developments:

- Proximity to upcoming metro lines, highways, or special economic zones (SEZs) can boost property value over time.



Step 4: Choosing the Right Location

The location of your property greatly influences your lifestyle, daily commute, and long-term investment value.



Factors to Consider:

- **Connectivity:**
 - Ensure the area is well-connected to your workplace, public transportation, and essential services. For instance, IT hubs like Whitefield in Bangalore or Cyber City in Gurgaon offer excellent connectivity.
- **Safety:**
 - Research local crime rates using resources like NCRB data or local community forums to ensure the area is safe for you and your family.
- **Amenities:**
 - Check for nearby schools, hospitals, parks, and shopping centers to ensure a comfortable living experience.

Step 5: Identifying Your Home Preferences

Clearly defining your preferences helps streamline your property search and ensures your new home meets your lifestyle needs.

Type of Property:

- Ensure the area is well-connected to your workplace, public transportation, and essential services. For instance, IT hubs like Whitefield in Bangalore or Cyber City in Gurgaon offer excellent connectivity.

Size Requirements:

- Understanding your space needs is vital for making the right choice. Assess your current and future family size to determine the appropriate property size.
 1. **For Nuclear Families:** A 2BHK (two-bedroom, hall, and kitchen) is usually adequate for small families, offering the right balance of space and affordability.
 2. **For Joint Families:** Larger families often require 3BHK or more spacious configurations to ensure comfort and privacy. If you plan to expand your family or have frequent guests, consider an extra room for flexibility.

Essential Amenities:

- Amenities greatly enhance your living experience. Look for features like gyms, swimming pools, and sports facilities for fitness enthusiasts. Families benefit from children's play areas, clubhouses, and daycare centers.



Step 6: Understanding Financing Options and Home Loans



Securing a home loan is often a key part of the home-buying process. Understanding your options helps you choose the best fit.

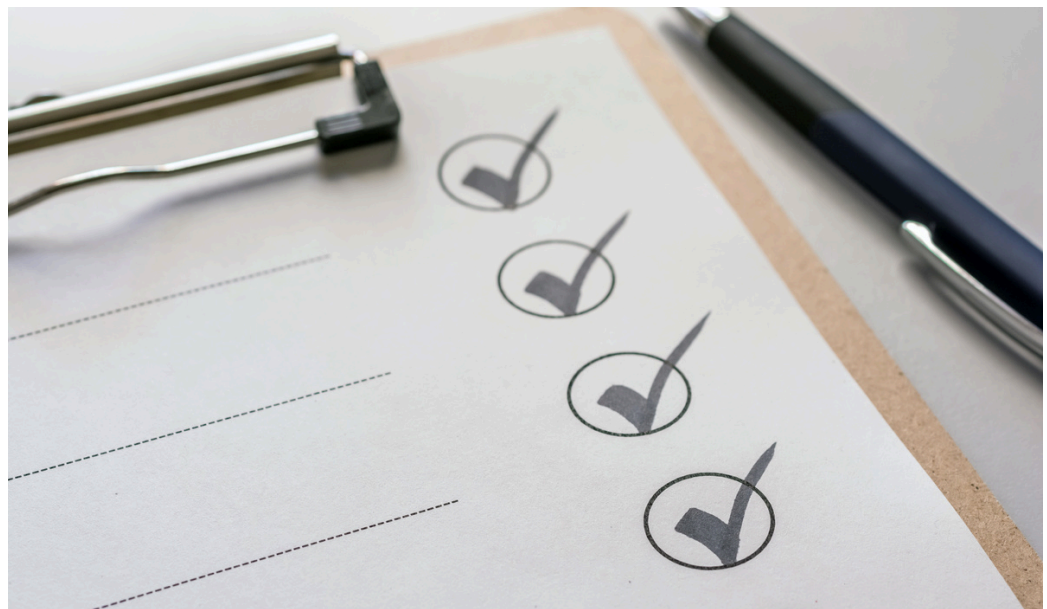
- **Fixed vs. Floating Rates:** Fixed-rate loans offer stability, while floating-rate loans can save you money when interest rates decrease.
- **Pre-Approved Loans:** Getting pre-approved simplifies the buying process by giving you a clear idea of your eligibility and budget.
- **Government Subsidies:** Schemes like PMAY provide significant savings for first-time buyers, particularly those in lower and middle-income groups.

Step 7: Legal and Documentation Aspects

Ensuring all legal documents are in order is critical to avoiding disputes and fraud.

Documents to Verify:

- **Title Deed:** Confirms the seller's ownership rights and ensures the property can be sold legally.
- **Encumbrance Certificate (EC):** Verifies that the property is free from financial or legal liabilities.
- **RERA Registration:** Ensures the project complies with government regulations, protecting your investment.



Step 8: Conducting Property Inspections

A thorough inspection ensures there are no hidden surprises after the purchase.

- **Structural Integrity:** Inspect the property for visible issues like cracks, water damage, or poor construction. Quality materials and a solid finish are key indicators of durability.
- **Promised Amenities:** Verify that all amenities like parking, lifts, and security systems are functional and match the commitments made in the brochure or agreement.
- **Compliance:** Ensure the property adheres to approved plans, zoning regulations, and legal requirements like occupancy certificates and RERA registration (if applicable).



Step 9: The Offer and Negotiation Process

Effective negotiation can result in substantial savings or additional benefits.

- **Benchmark Prices:** Research the prices of similar properties in the area to strengthen your negotiation position.
- **Ask for Extras:** Request waivers for charges or additional benefits, such as extra parking spaces, to enhance the value of your deal.



Step 10: Finalizing the Purchase and Registration

The final step involves legal and financial formalities to complete your purchase.



Pay Taxes and Charges:

Ensuring all applicable taxes and charges are paid is essential to legally secure your property. These typically include stamp duty, registration fees, and other charges levied by local authorities.

Register the Property:

Registering the property is a crucial legal step to secure your ownership rights. Complete the property registration at the local sub-registrar's office to secure ownership rights.

Ensure all necessary documents, such as the sale deed, identification proofs, and tax receipts, are in order before proceeding.



Common Mistakes to Avoid

Avoiding common pitfalls ensures a smoother home-buying process.



Overstretching Budget: Stick to a realistic budget that includes not just the purchase price but also future costs like maintenance, utilities, property taxes, and insurance.

Skipping Legal Verification: Ensure all property documents, such as title deeds, approvals, and sale agreements, are thoroughly checked and legally verified. Seek advice from a qualified lawyer to avoid future disputes.

Ignoring Loan Eligibility and Financing Options: Check your home loan eligibility and compare financing options across multiple lenders. Avoid committing to properties that require loans beyond your financial capacity.

Overlooking Location Factors: Evaluate the neighborhood for accessibility, amenities, safety, and potential for growth. Consider factors like proximity to schools, workplaces, and transportation.

Conclusion: Your Path to Homeownership

With this ebook, you're well-equipped to transition from a prospective buyer to a confident homeowner. Each step is an integral part of the journey, bringing you closer to achieving your dream of owning a home in India.

Buying a home is a significant milestone and one of the most rewarding investments you'll make. It represents not just financial stability but also a space to create memories, build your future, and enjoy a sense of belonging.

Remember, preparation and diligence are key:

- Conduct thorough research to understand the market dynamics, property values, and emerging locations.
- Be proactive in seeking advice from professionals, whether it's a financial advisor, real estate expert, or legal consultant.
- Prioritize properties that align with your long-term goals, considering factors like family needs, job location, and lifestyle preferences.

By taking the time to plan, verify, and make informed decisions, you minimize risks and set yourself up for success. Every small effort you make today contributes to a future where you can enjoy your dream home with peace of mind.

Happy Home Buying!



About TRU Realty

TRU Realty is a pathbreaking, IT-enabled real estate development company which is looking at revolutionizing the real estate sector by addressing its various challenges. TRU Realty combines sector expertise with information technology and systematic, sound, and intensive research to equip all stakeholders, especially customers, with objective information about the sector that empowers decision-making with transparency and accountability.

With over 5 decades of collective experience in real estate, TRU Realty looks at the sector in a holistic manner. It works across the spectrum, with Home Buyers, Channel Partners, Contracting Firms, Consultants, Vendors & Suppliers, and Independent Professionals in the field to ensure that each one of them experiences transparency and efficiency in their interactions within the sector.

TRU Realty has been recognized under the central government's Start-up India initiative. TRU Realty has also been recognized as emerging company of the year 2020, presented by the Economic Times Now. It has a number of upcoming projects in Pune and Mumbai.

The founder of TRU Realty, Mr Sujay Kalele, is a seasoned real estate leader with rich experience across the sector. As an alumnus of the prestigious CoEP and Indian School of Business and having worked with companies such as JLL and Kolte-Patil, Sujay grasps the intricacies of the sector like very few do. His intentions behind founding TRU Realty are dual: the first, to harness technology to derisk the sector and the second, to place customers at the centre of the entire home lifecycle and provide them with support to navigate through it.

At the heart of TRU Realty's offerings lie timeliness, quality (verified by third-party assessors), emphasis on a research-based approach, and 360° transparency – right from home manuals and legal rights of all stakeholders all the way to information on to-be neighbors. That way, it ensures not only that stakeholders', especially home buyers', trust is an informed and objectively justifiable decision, but also that the real estate sector finally delivers a smooth, positive and cherishable experience to each one of the them.

OUR PROJECTS



Disclaimers:

This eBook is intended solely for informational purposes, aiming to raise awareness among the general public. Readers are encouraged to consult their advisors or seek professional guidance for making informed home-buying decisions.

Certain projects mentioned in this e-book may still be in the process of obtaining RERA registration. The project visuals are provided for reference only, with no intent to solicit sales or marketing activities.

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